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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider
Authorization of a Non-Bypassable Charge
to Support California's Wildfire Fund.

Rulemaking 19-07-017

**ADMINISTRATIVE LAW JUDGE'S RULING
SOLICITING PARTY COMMENT ON PROPOSED RATE AGREEMENT**

Summary

This ruling provides notice and an opportunity to comment to parties regarding a proposed Rate Agreement between the California Public Utilities Commission and the California Department of Water Resources. Parties should include comments on the proposed Rate Agreement with their opening and reply comments due August 29, 2019 and September 6, 2019, respectively.

1. Background

Assembly Bill 1054 (Ch. 79, Stats. 2019) (AB 1054) was enacted as an urgency measure to address the dangers and devastation from catastrophic wildfires in California caused by electric utility infrastructure, including the increased costs to ratepayers resulting from electric utilities' exposure to financial liability. The Governor signed AB 1054 on July 12, 2019.

The Commission issued an Order Instituting Rulemaking (OIR) at a special meeting on July 26, 2019, consistent with Public Utilities Code Section 3289, to consider whether the Commission should exercise its authority to require certain electrical corporations to collect from ratepayers a non-bypassable charge to

support California's new Wildfire Fund defined in Public Utilities Code Sections 1701.8 and 3280 et seq. A prehearing conference was held on August 8, 2019 and a scoping memo and ruling was filed on August 14, 2019.

2. Discussion

The scoping memo and ruling outlined several issues to be resolved by a final Commission decision in this proceeding by October 24, 2019. Among them are the following:

1. The amount of the revenue requirement referred to in Section 3289 of the Public Utilities Code, including calculation of the amount and accounting for any impact of collections from regional electrical corporation ratepayers.
2. Whether to approve the Commission's Rate Agreement with the Department of Water Resources pursuant to Water Code Section 80524(b).

If the Commission authorizes a non-bypassable charge to support the Wildfire Fund established by AB 1054, then the Commission and the California Department of Water Resources (Department) will execute a Rate Agreement to effectuate and administer the charge, pursuant to Public Utilities Code Section 3289 and Water Code Section 80524. Accompanying the proposed Rate Agreement is a memorandum from the Department addressing and supporting the revenue requirement definition in the proposed Rate Agreement. The memorandum should be considered by parties as an adjunct to the proposed Rate Agreement if they file comments.

This ruling invites party comment on the attached proposed Rate Agreement. Parties may file and serve comments on the proposed Rate Agreement with their opening comments by August 29, 2019. Reply comments on the proposed Rate Agreement may be filed and served by September 6, 2019.

IT IS RULED that:

1. Parties to this proceeding may file and serve comments on the proposed Rate Agreement by August 29, 2019.
2. Parties to this proceeding may file and serve reply comments on the proposed Rate Agreement by September 6, 2019.

Dated August 21, 2019, at San Francisco, California.

/s/ PATRICK DOHERTY
Patrick Doherty
Administrative Law Judge